

CORAL REEF CONSERVATION ACT OF 1997

SEPTEMBER 29, 1997.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Mr. YOUNG of Alaska, from the Committee on Resources,
submitted the following

REPORT

[To accompany H.R. 2233]

[Including cost estimate of the Congressional Budget Office]

The Committee on Resources, to whom was referred the bill (H.R. 2233) to assist in the conservation of coral reefs, having considered the same, report favorably thereon with an amendment and recommend that the bill as amended do pass.

The amendment is as follows:

Strike out all after the enacting clause and insert in lieu thereof the following:

SECTION 1. SHORT TITLE.

This Act may be cited as the “Coral Reef Conservation Act of 1997”.

SEC. 2. PURPOSES.

The purposes of this Act are the following:

- (1) To preserve, sustain, and restore the health of coral reef ecosystems.
- (2) To assist in the conservation and protection of coral reefs by supporting conservation programs.
- (3) To provide financial resources for those programs.
- (4) To establish a formal mechanism for collecting and allocating monetary donations from the private sector to be used for coral reef conservation projects.

SEC. 3. DEFINITIONS.

In this Act:

- (1) CORAL.—The term “coral” means species of the phylum Cnidaria, including—
 - (A) all species of the orders Antipatharia (black corals), Scleractinia (stony corals), Gorgonacea (horny corals), Stolonifera (organpipe corals and others), and Coenothecalia (blue coral), of the class Anthozoa; and
 - (B) all species of the order Hydrocorallina (fire corals and hydrocorals), of the class Hydrozoa.
- (2) CORAL REEF.—The term “coral reef” means any reef or shoal composed primarily of the skeletal material of species of the order Scleractinia (class Anthozoa).

(3) CORAL REEF ECOSYSTEM.—The term “coral reef ecosystem” means the complex of species associated with coral reefs and their environment that—

(A) functions as an ecological unit in nature; and

(B) is necessary for that function to continue.

(4) CORALS AND CORAL PRODUCTS.—The term “corals and coral products” means any living or dead specimens, parts, or derivatives, or any product containing specimens, parts, or derivatives, of any species referred to in paragraph (1).

(5) CONSERVATION.—The term “conservation” means the use of methods and procedures necessary to preserve or sustain corals and species associated with coral reefs as diverse, viable, and self-perpetuating coral reef ecosystems, including all activities associated with resource management, such as conservation, protection, restoration, and management of habitat; habitat monitoring; assistance in the development of management strategies for marine protected areas and marine resources consistent with the National Marine Sanctuaries Act (16 U.S.C. 1431 et seq.) and the Magnuson-Stevens Fishery Conservation and Management Act (16 U.S.C. 1801 et seq.); law enforcement through community participation; conflict resolution initiatives; and community outreach and education.

(6) FUND.—The term “Fund” means the Coral Reef Conservation Fund established under section 5(a).

(7) SECRETARY.—The term “Secretary” means the Secretary of Commerce.

SEC. 4. CORAL REEF CONSERVATION ASSISTANCE.

(a) IN GENERAL.—The Secretary, subject to the availability of funds, shall use amounts in the Fund to provide grants of financial assistance for projects for the conservation of coral reefs for which final project proposals are approved by the Secretary in accordance with this section.

(b) PROJECT PROPOSAL.—Any relevant natural resource management authority of a State or territory of the United States or other government jurisdiction with coral reefs whose activities directly or indirectly affect coral reefs, or any nongovernmental organization or individual with demonstrated expertise in the conservation of coral reefs, may submit to the Secretary a project proposal under this section. Each proposal shall include the following:

(1) The name of the individual responsible for conducting the project.

(2) A succinct statement of the purposes of the project.

(3) A description of the qualifications of the individuals who will conduct the project.

(4) An estimate of the funds and time required to complete the project.

(5) Evidence of support of the project by appropriate representatives of States or territories of the United States or other government jurisdictions in which the project will be conducted, if the Secretary determines that the support is required for the success of the project.

(6) Information regarding the source and amount of matching funding available to the applicant.

(7) Any other information the Secretary considers to be necessary for evaluating the eligibility of the project for funding under this Act.

(c) PROJECT REVIEW AND APPROVAL.—

(1) IN GENERAL.—The Secretary shall review each final project proposal to determine if it meets the criteria set forth in subsection (d).

(2) CONSULTATION; APPROVAL OR DISAPPROVAL.—Not later than 6 months after receiving a final project proposal, and subject to the availability of funds, the Secretary shall—

(A) request written comments on the proposal from each State or territory of the United States or other government jurisdiction, including the relevant regional fishery management councils established under the Magnuson-Stevens Fishery Conservation and Management Act (16 U.S.C. 1801 et seq.), within which the project is to be conducted;

(B) provide for the merit-based peer review of the proposal and require standardized documentation of that peer review;

(C) after reviewing any written comments and recommendations based on merit review, approve or disapprove the proposal; and

(D) provide written notification of that approval or disapproval to the person who submitted the proposal, and each of those States, territories, and other government jurisdictions.

(d) CRITERIA FOR APPROVAL.—The Secretary may approve a final project proposal under this section if the project will enhance programs for conservation of coral reefs by assisting efforts to—

- (1) implement conservation programs;
 - (2) address the conflicts arising from the use of environments near coral reefs or from the use of corals, species associated with coral reefs, and coral products;
 - (3) enhance compliance with laws that prohibit or regulate the taking of corals, species associated with coral reefs, and coral products or regulate the use and management of coral reef ecosystems;
 - (4) develop sound scientific information on the condition of coral reef ecosystems or the threats to such ecosystems; or
 - (5) promote cooperative projects on coral reef conservation that involve foreign governments, affected local communities, nongovernmental organizations, or others in the private sector.
- (e) **PROJECT SUSTAINABILITY.**—In determining whether to approve project proposals under this section, the Secretary shall give priority to projects which promote sustainable development and ensure effective, long-term conservation of coral reefs.
- (f) **PROJECT REPORTING.**—Each grantee under this section shall provide periodic reports, as the Secretary considers necessary, to the Secretary. Each report shall include all information required by the Secretary for evaluating the progress and success of the project.
- (g) **MATCHING FUNDS.**—In determining whether to approve project proposals under this section, the Secretary shall give priority to projects for which there exist matching funds in the amount of at least 50 percent of the total cost of each project.

SEC. 5. CORAL REEF CONSERVATION FUND.

(a) **ESTABLISHMENT.**—There is established in the general fund of the Treasury a separate account, to be known as the “Coral Reef Conservation Fund”, which shall consist of amounts deposited into the Fund by the Secretary of the Treasury under subsection (b).

(b) **DEPOSITS INTO THE FUND.**—The Secretary of the Treasury shall deposit into the Fund—

- (1) all amounts received by the Secretary in the form of monetary donations under subsection (d); and
- (2) other amounts appropriated to the Fund.

(c) **USE.**—

(1) **IN GENERAL.**—Subject to paragraph (2), the Secretary may use amounts in the Fund without further appropriation to provide assistance under section 4.

(2) **ADMINISTRATION.**—Of amounts in the Fund available for each fiscal year, the Secretary may use not more than 3 percent to administer the Fund.

(d) **ACCEPTANCE AND USE OF MONETARY DONATIONS.**—The Secretary may accept and use monetary donations to provide assistance under section 4. Amounts received by the Secretary in the form of donations shall be transferred to the Secretary of the Treasury for deposit into the Fund.

SEC. 6. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated to the Fund \$1,000,000 for each of fiscal years 1998, 1999, 2000, 2001, and 2002 to carry out this Act, which may remain available until expended.

PURPOSE OF THE BILL

The purpose of H.R. 2233 is to assist in the conservation of coral reefs.

BACKGROUND AND NEED FOR LEGISLATION

Coral reefs are among the world’s most biologically diverse and productive marine habitats. Reefs require warm water free of excessive nutrients and sediments, which generally restricts growth to shallow, tropical and subtropical coastal regions. Thus, coral reefs are well developed in the coastal waters of only two U.S. States, Florida and Hawaii. Extensive reefs are also associated with islands and territories under U.S. jurisdiction in the Caribbean and Pacific (American Samoa, Guam, the Northern Mariana Islands, Puerto Rico, and U.S. Virgin Islands). Offshore in Federal waters, deeper coral communities with broader distribution are

also present, which include Gray's Reef off the coast of Georgia and the Flower Garden Banks off Texas.

Healthy coral reefs provide countless products and benefits to the coastal communities of these U.S. States and territories. They are vital to coastal economies, serving as the basis for coastal and marine tourism. Each year, the reefs of the Florida Keys attract over six million visitors and generate over \$2.1 billion in revenue from snorkelers and scuba divers, recreational fishermen, boaters, and wildlife enthusiasts. This reef-based tourism creates hundreds of thousands of job opportunities in south Florida.

Healthy reefs support valuable subsistence and commercial reef fisheries. In 1995, domestic landings of commercial reef fish and shellfish (snapper, grouper, spiny lobster, etc.) exceeded \$79.5 million. Reef fish imports, for consumption or the marine aquarium trade, account for an additional \$25–50 million annually.

Many marine organisms valued by the biomedical and pharmaceutical industries inhabit reefs. For example, a chemical compound derived from Caribbean reef sponges is the active ingredient in medicines which are widely used in cancer chemotherapy. Many other marine plants and animals which live on coral reefs produce compounds with antiviral, antibacterial and related properties.

Finally, healthy reefs serve as natural protection for coastlines. Coral reefs are effective coastal breakwaters and barriers, and can reduce energy from incoming waves by up to 97 percent. This minimizes the impacts of high waves, storm surges, coastal erosion and the accompanying threats to human life and property.

Scientists agree that the world's coral reefs are subject to numerous natural and human-induced threats, including: predator damage; storms and extreme weather events; tourism pressures; commercial harvests; destructive fishing techniques; vessel damage; parasites and other diseases; and water quality degradation.

Recent research has shown that these factors have had a significant effect on coral reefs worldwide. It is difficult to make precise estimates of the amount of reef degradation worldwide, as many reefs are located in extremely remote areas. The best estimates, however, indicate that a minimum of 10 percent of reefs have degraded beyond recovery. This statistic is expected to reach 20 to 30 percent by 2010.

H.R. 2233 would create a Coral Reef Conservation Fund in the U.S. Treasury, from which monies would be competitively awarded to organizations conducting a variety of coral reef conservation projects. The program will be administered by the Department of Commerce, will be funded through appropriations and donations, and will give priority to projects which provide matching funds. H.R. 2233 would authorize \$1 million to be appropriated into the Fund annually for the next five years.

This fund is modeled after the highly successful African Elephant Conservation Fund and the Rhino and Tiger Conservation Fund. There appears to be a consensus in the conservation community that this type of model is an effective way to leverage private sector monies to fund worthwhile projects to help recover various species.

COMMITTEE ACTION

On March 13, 1997, and May 6, 1997, the Subcommittee on Fisheries Conservation, Wildlife, and Oceans held hearings on the status of coral reef ecosystems. Witnesses at these hearings included representatives of the Administration, the American Oceans Campaign, the International Year of the Reef Organizing Committee, the International Marinelife Alliance, the Nature Conservancy, the American Zoo and Aquarium Association, and Dr. James Porter of the University of Georgia.

H.R. 2233 was introduced on July 23, 1997, by Congressman Jim Saxton (R-NJ), Chairman, Subcommittee on Fisheries Conservation, Wildlife, and Oceans, and Congressman Neil Abercrombie (D-HI), Ranking Democratic Member, Subcommittee on Fisheries Conservation, Wildlife, and Oceans. The bill was referred to the Committee on Resources, and within the Committee to the Subcommittee on Fisheries Conservation, Wildlife, and Oceans.

On July 31, 1997, the Subcommittee met to mark up H.R. 2233. The bill was ordered favorably reported to the Full Committee without amendment by voice vote. On September 17, 1997, the full Resources Committee met to consider H.R. 2233. An amendment to clarify that the proposed program would not conflict with existing marine resource management efforts was offered by Mr. Saxton, and adopted by voice vote. The bill, as amended, was then ordered favorably reported to the House of Representatives by voice vote.

COMMITTEE OVERSIGHT FINDINGS AND RECOMMENDATIONS

With respect to the requirements of clause 2(l)(3) of rule XI of the Rules of the House of Representatives, and clause 2(b)(1) of rule X of the Rules of the House of Representatives, the Committee on Resources' oversight findings and recommendations are reflected in the body of this report.

CONSTITUTIONAL AUTHORITY STATEMENT

Article I, section 8 of the Constitution of the United States grants Congress the authority to enact H.R. 2233.

COST OF THE LEGISLATION

Clause 7(a) of rule XIII of the Rules of the House of Representatives requires an estimate and a comparison by the Committee of the costs which would be incurred in carrying out H.R. 2233. However, clause 7(d) of that Rule provides that this requirement does not apply when the Committee has included in its report a timely submitted cost estimate of the bill prepared by the Director of the Congressional Budget Office under section 403 of the Congressional Budget Act of 1974.

COMPLIANCE WITH HOUSE RULE XI

1. With respect to the requirement of clause 2(l)(3)(B) of rule XI of the Rules of the House of Representatives and section 308(a) of the Congressional Budget Act of 1974, H.R. 2233 does not contain any new budget authority, credit authority, or an increase or decrease in tax expenditures. According to the Congressional Budget Office, enactment of H.R. 2233 would result in additional discre-

tionary spending of about \$4 million over the 1998–2002 period. In addition, H.R. 2233 would affect receipts and direct spending by allowing the Secretary of Commerce to accept and spend donations, but any such transactions would involve minor, offsetting amounts.

2. With respect to the requirement of clause 2(1)(3)(D) of rule XI of the Rules of the House of Representatives, the Committee has received no report of oversight findings and recommendations from the Committee on Government Reform and Oversight on the subject of H.R. 2233.

3. With respect to the requirement of clause 2(1)(3)(C) of rule XI of the Rules of the House of Representatives and section 403 of the Congressional Budget Act of 1974, the Committee has received the following cost estimate for H.R. 2233 from the Director of the Congressional Budget Office.

CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE
Washington, DC, September 26, 1997.

Hon. DON YOUNG,
*Chairman, Committee on Resources,
House of Representatives, Washington, DC.*

DEAR MR. CHAIRMAN: The Congressional Budget Office has prepared the enclosed cost estimate for H.R. 2233, the Coral Reef Conservation Act of 1997.

If you wish further details on this estimate, we will be pleased to provide them. The CBO staff contact is Gary Brown.

Sincerely,

JUNE E. O'NEILL, *Director.*

Enclosure.

H.R. 2233—Coral Reef Conservation Act of 1997

Summary: H.R. 2233 would establish a new fund to support the conservation of coral reefs. The bill would direct the Secretary of Commerce to use amounts in the new fund to finance eligible conservation efforts, which may include research and education projects as well as ongoing activities such as law enforcement. For this purpose, the bill would authorize appropriations to the fund of \$1 million for each of fiscal years 1998 through 2002. Also, the Secretary would be authorized to accept and use donated funds without further appropriation.

Assuming appropriation of the authorized amounts, CBO estimates that implementing H.R. 2233 would result in additional discretionary spending of about \$4 million over the 1998–2002 period. The legislation would affect direct spending and receipts by allowing the Secretary to accept and spend donations; therefore, pay-as-you-go procedures would apply. Any such transactions, however, would involve minor, offsetting amounts. H.R. 2233 does not contain any intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act of 1995 (UMRA), and would have no impact on the budgets of state, local, or tribal governments.

Estimated cost to the Federal Government: For purposes of this estimate, CBO assumes that the entire amounts authorized by H.R. 2233 will be appropriated for each of fiscal years 1998 through 2002. Outlay estimates are based on obligation patterns for similar programs, which indicate that the rate of spending over the first few years of the new program would be slow. The estimated budgetary impact of H.R. 2233 is shown in the following table.

| | By fiscal years in millions of dollars— | | | | |
|-----------------------------------|---|------------------|------|------|------|
| | 1998 | 1999 | 2000 | 2001 | 2002 |
| SPENDING SUBJECT TO APPROPRIATION | | | | | |
| Authorization Level | 1 | 1 | 1 | 1 | 1 |
| Estimated Outlays | (¹) | (¹) | 1 | 1 | 1 |

¹ Less than \$500,000.

The costs of this legislation fall within budget function 300 (natural resources and environment). Spending for the conservation of coral reefs would constitute a new program in the federal budget; that is, there is no spending for this activity under current law.

Enacting H.R. 2233 also would affect both receipts and direct spending by authorizing the Secretary of Commerce to accept and use donations. CBO estimates that this provision would increase federal receipts by less than \$500,000 annually once the conservation program has been established. Because these receipts would be offset by additional direct spending, the net impact of this provision on the federal budget would be negligible in each year.

Pay-as-you-go considerations; The Balanced Budget and Emergency Deficit Control Act of 1985 specifies pay-as-you-go procedures for legislation affecting direct spending or receipts. Although enacting H.R. 2233 would affect both receipts and direct spending, CBO estimates that the amounts involved would be less than \$500,000 annually.

Intergovernmental and private-sector impact: H.R. 2233 contains no intergovernmental or private-sector mandates as defined in UMRA and would have no impact on the budgets of state, local, or tribal governments. Some of the funds authorized by this bill could support projects conducted by states or local government entities. The bill would not require matching funds but would give priority to projects supported by nonfederal funds in amounts at least equal to the federal funds provided.

Estimate prepared by: Federal Costs: Gary Brown; Impact on State, Local, and Tribal Governments: Marjorie Miller.

Estimate approved by: Robert A. Sunshine, Deputy Assistant Director for Budget Analysis.

COMPLIANCE WITH PUBLIC LAW 104-4

H.R. 2233 contains no unfunded mandates.

CHANGES IN EXISTING LAW

If enacted, H.R. 2233 would make no changes in existing law.

